

ARTICLE 8

SECTION 3

STEPPARENTS

1. GENERAL

This section contains information for establishing the MFBU in a stepparent case when only the separate child(ren) of one parent wants Medi-Cal.

ACWD
90-91

2. MFBU COMPOSITION

The parent (as an ineligible member) and his/her children who want Medi-Cal.

Workers are no longer required to determine whether the stepparent can meet the needs of the stepparent unit.

3. ELIGIBILITY DETERMINATION

To determine eligibility and share of cost for only the separate children of one parent, consider only the net nonexempt income and property of the parent (after equal allocations to his/her spouse and natural/adoptive children) and the net nonexempt income and property of the separate children who want Medi-Cal.

Example: Mother (Sally) wants Medi-Cal for her two separate children (Susie, age 5 and Shauna, age 4). Sally, her husband (Sam) and their mutual child (Steven) do not want Medi-Cal. Sally works and earns \$1,710 per month. Susie and Shauna have no income of their own. The MFBU consists of Susie, Shauna and Sally (as ineligible parent).

MEM
Proc. 5K6

Determination of Balance of Mom's Income Available to the MFBU and the MFBU's SOC.

A. Determine allocation to the family members not in the MFBU.

\$1,710	Sally's gross earnings
- 90	Work deductions
\$1,620	Net nonexempt income
- 600	Parental needs deduction
\$1,020	Divided by 4 (Sam, Susie, Shauna, Steven) = \$255 to each
\$ 510	To Sam and Steven, not in the MFBU

B. Net balance to the MFBU.

\$1,620	Sally's net nonexempt income.
- 510	Allocation to non MFBU members for whom Sally is responsible.
\$1,110	Net balance available to the MFBU from Sally.

C. MFBU's SOC computation.

\$1,110	Net balance available to the MFBU from Sally.
0	Susie's income
<u>0</u>	Shauna's income
\$1,110	Total net nonexempt income
<u>- 934</u>	MNIL for 3
176	SOC

Since the MFBU has a SOC and the two girls are aged 5 and 4, they are potentially eligible for the 133% program. (Note: Sneede is not applicable in this case because the girls do not have income of their own. If the girls had income of their own, Sneede procedure would apply before eligibility is determined for the FPL programs. Refer to Article 5, Section 14 for Sneede procedure).

133% Program Eligibility Determination for Each Child

Susie

\$1,110	Balance of Mom's net nonexempt income
<u>0</u>	Susie's income
\$1,110	Total net nonexempt income

Shauna

\$1,110	Balance of Mom's net nonexempt income
<u>0</u>	Shauna's income
\$1,110	Total net nonexempt income

Compare the \$1,110 total net nonexempt income to 133% FPL for three* which is \$1,478 (4/97). Since the net nonexempt income is less than the 133% FPL for the MFBU, Susie and Shauna are eligible for zero SOC Medi-Cal under the 133% program.

* In stepparent cases, when only the separate children of one of the parents want Medi-Cal, the FPL is compared to only the number of persons in the MFBU and not to the other family members even though income was allocated to the other family members.

INSTRUCTIONS

PART V

V. A. ESTABLISHMENT OF THE STEPPARENT UNIT		
1. Maintenance for: Stepparent Parent Stepparent's children # _____ Mutual children # _____		\$
2. Stepparent's gross earned income	\$	
3. Mandatory deductions (actual)	\$	
4. Net earned income (line 2 minus line 3)	\$	
5. Stepparent's total unearned income	\$	
6. Stepparent's total income (line 4 plus line 5)	\$	
7. Court ordered child support	\$	
8. Stepparent's net income (line 6 minus line 7)		
Is line 1 greater than line 8? If NO, complete Part B. <input type="checkbox"/> Yes <input type="checkbox"/> No		
B. STEPPARENT COMPUTATION		
1. Stepparent's gross earned income	\$	
2. Work expenses (\$75 or \$50)	\$	
3. Net earned income (line 1 minus line 2)	\$	
4. Stepparent's gross unearned income	\$	
5. Stepparent's total income (line 3 plus line 4)	\$	
6. Contributions to tax dependents	\$	
7. Child support/alimony	\$	
8. Stepparent's deductions (line 6 plus line 7)	\$	
9. Stepparent's total net income (line 5 minus line 8)	\$	
10. Maintenance need for stepparent unit: Stepparent Stepparent's children # _____ Mutual children # _____		\$
11. Stepparent's income deemed available (line 9 minus line 10). If less than 0, enter 0.		\$
Enter amount in line 11 on MC 176 M or MC 176 M-LTC in column I or II, line 3 or 4 as "from stepparent."		

INSTRUCTIONS

FORM 176W PART V ALLOCATION/SPECIAL DEDUCTION WORKSHEET PART V STEPPARENT COMPUTATIONS

This portion of the form is only completed when there is a stepparent situation and the applicant states that only the child(ren) of one parent wishes to receive Medi-Cal.

Part A - This part is completed to determine if a stepparent unit may be established or if the entire family must be included in the MFBU.

Determining Stepparent Net Income (MC 176W, Part V, Part A)

- 1) On line 1, enter the maintenance need for the stepparent unit. This includes the stepparent, the parent, the stepparent's child(ren) and common child(ren).
- 2) On line 2, enter stepparent's gross earned income.
- 3) On line 3, enter the actual amount of mandatory deductions. The only allowable mandatory deductions are:

State Income Tax
Federal Income Tax
OASDI (Social Security)
SDI (State Disability Insurance)

NO OTHER DEDUCTIONS ARE ALLOWED

- 4) On line 4, enter the stepparent's net income, determined by subtracting line 3 from line 2.
- 5) On line 5, enter the stepparent's gross unearned income.
- 6) On line 6, add lines 4 and 5. This is the stepparent's total income.
- 7) On line 7, enter the amount of court-ordered child support of the stepparent, if paid or not paid.
- 8) On line 8, subtract line 7 from line 6. This is the stepparent's net income.
- 9) Compare the amount on line 8 with the amount on line 1. If the stepparent's net income (line 8) is less than the maintenance need for the stepparent unit (line 1), no stepparent case can be established, and application must be made as an intact family.

If the stepparent's net income (line 8) is more than the maintenance need for the stepparent unit (line 1), a stepparent case can be established. When a stepparent case can be established, proceed to Part B of Part V of the MC 176W to determine the stepparent contribution to the MFBU.

Part B - This part is completed to determine the amount of a stepparent's income that can be allocated to the MFBU.

A computation in Part B is to be made only when the computation in Part A substantiates that a stepparent case can be established.

- 1) On line 1, enter the stepparent's gross earned income.
- 2) On line 2, enter \$75.
- 3) On line 3, enter net earned income, determined by subtracting the \$75 (line 2) from line 1.
- 4) On line 4, enter stepparent's gross unearned income.
- 5) On line 5, enter stepparent's total income, determined by adding lines 3 and 4.
- 6) On line 6, enter any income the stepparent contributes to tax dependents who are not members of the stepparent unit or the MFBU.
- 7) On line 7, enter any other child support/alimony actually paid by the stepparent, regardless of the amount in a court order (Do not include amounts on line 6).
- 8) On line 8, total the stepparent's deductions by adding lines 6 and 7.
- 9) On line 9, enter the stepparent's total net income, determined by subtracting line 8 from line 5.
- 10) On line 10, determine the maintenance need for the stepparent unit. This should include the stepparent, the stepparent's separate child(ren), and mutual child(ren), if any.

NOTE: The parent is no longer in the stepparent unit, as the parent is now an ineligible member of their separate child(ren)'s MFBU.

- 11) On line 11, enter the amount of the stepparent's income available to the MFBU, determined by subtracting line 10 from line 9. This is the amount that is considered available to the MFBU. It is unearned income to the MFBU.